NBA 600: Day 1
Goals, Expectations, Overview
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Goals of the Course

- Develop an understanding of how IT can be used to strategic advantage
  - Impact on competitive landscape
  - Peculiarities of digital goods and services
  - Productivity paradox
    - The “new economy” debate
  - Increased value to the customer
    - Capturing some of that value
  - Network effects and small worlds
  - Electronic commerce and marketplaces
  - Open source and its implications
Premises of Course

- The most successful uses of IT are
  - Driven by those who have both domain (business) and technology expertise
    - Individuals or small teams
  - In service of a clear business strategy
    - Guiding what is done, how processes are changed or implemented
  - Delivered incrementally
    - Refined based on experience

- Information is everything or nothing
  - Depending how it is used; same goes for IT
What You Should Take Away

- Knowledge of how IT has been, is being and can be used to strategic advantage
  - In conjunction with or separate from operational uses
- Ability to further study new technologies and their applications
  - Sorting through the techno-speak
  - Balancing the hype and the naysayers
  - With or without prior IT background
- Ability to generalize and synthesize from cases and examples
Your Previous Experience

- Areas of expertise
  - Level of IT knowledge/comfort

- Applications of IT
  - Successful vs. unsuccessful
  - Clear goals
  - Strategic implications
  - Missed opportunities

- Own role(s)
  - Stakeholder, end-user, delivery

- Characteristics of delivery team
Your Views on IT

- Adoption profile
  - Evangelist
  - Early adopter
  - Wait until proven
  - Avoid as long as possible
  - If varies, based on what?

- See IT as generally beneficial versus generally problematic
  - If can’t generalize then depends on what?
    - Project structure, domain, stakeholders, criticality ...
Modes of Learning

- Lectures about technical topics and principles or generalizations
- Case oriented discussions about IT in specific companies or industries
- Readings
  - Primarily recent original source material
    - Academic articles and news pieces
- Group presentations
  - Firm level and industry level
- Individual short papers
About Assignments

- Groups of 3 students
  - Should include both more technically-oriented and more business-oriented viewpoints
- Group mid-term (firm level) paper
  - 10-12 pages
- Group final (industry level) project
  - 10-12 page paper
  - 10-15 min slide presentation
- Individual 2 page papers
  - Must include both facts and analysis
Assignment Schedule

- Feb 12 – First short paper
- Feb 26 – Second short paper
- Mar 11 – Third short paper
- Mar 18 – Group mid-term paper
- Apr 8 – Fourth short paper
- Apr 22 – Fifth short paper
- May 11 – Group final paper/presentation

- Periodic 10 minute in-class quizzes
Grading

- Class participation 10%
- Individual written assignments 25%
- Short quizzes 15%
- Group mid-term paper 20%
- Final project write-up 20%
- Final project presentation 10%
- What’s an A?
  - The class and I learn from you
- Regrades will only be considered within one week of an assignment being returned
  - Hand in a concise explanation to me
Expectations of You

- Show up to class on-time and prepared
  - Material in packet or on courseinfo site
    [http://courseinfo.cit.cornell.edu/courses/nba600/](http://courseinfo.cit.cornell.edu/courses/nba600/)
  - Don’t just read material, think about it

- Engage in class discussion
  - I will cold call if necessary (bring name cards)

- Be considerate of others
  - No side discussions, newspapers, noisy devices
  - Always treat others with respect in discussions

- Have fun and share your thoughts
Expectations of Me

- Same as for you, plus ...
- Identify pertinent and informative material
- Prepare lectures, assignments and discussion questions
- Help stimulate and guide discussion
- Post lecture slides on course web site
  - Complete set after lecture

- I welcome feedback
  - The end of the semester only helps others
Overview of Topics

- Porter-Tapscott debate on strategy and the Internet
- Some of the underlying technologies that make-up the Internet
- Carr debate on whether IT has strategic value
- The multiplier effect of IT
- The strategic value of bringing customers inside your information systems
  - Shipping, travel, banking
Overview of Topics (2)

- E-commerce (retail)
- Business-to-business connectivity
  - EDI, XML, exchanges
- Markets and information
- Online communities
  - Retail, opinion, gaming, social networks
- Digital goods
  - Music, movies, news, reference
- Information services
  - Vulnerability of digital goods models
Overview of Topics (3)

- The new networks
  - Evolving versus constructing, darknets
  - Smart mobs, social networks
- Privacy and security
  - Risk assessment, human behavior
- Some current trends
  - Open source software and content (e.g., Linux)
  - Web services
  - VoIP
  - Outsourcing, information utilities
Consider E-Commerce

- What do you buy online?
  - How often? Fraction of purchases?
- Where do you shop online? How often?
  - Why buy online vs. in store?
- What site provides best online shopping experience?
  - How important? What makes it best?
- Q3 ’03 retail e-commerce $13.3B [US DOC]
  - Up 27% y-o-y vs. 6.1% y-o-y increase overall
  - Approx 1.5% of total retail spending
Amazon.com

- What is the main value they strive to bring to customers?
- What first comes to mind in describing their business?
- What do you see as their strategy?
- How has their strategy changed over time?
- What distinguishes them from online-only competitors (mostly out of business)?
Amazon’s Strategy

- Two goals, same since beginning
  - **Selection** – world’s largest
  - **Convenience** – as easy, or easier than offline
  - Note: do not aim to be lowest price

- Cost-effective realization of these goals requires good information systems
  - Inventory management
  - Informing customer
  - Assisting customer
  - Fulfilling orders

- Business goals driving IT needs
Misperceptions

- Many (no longer extant) competitors did not understand this
  - Inferred wrong strategy from what Amazon was doing
    - Building big distribution centers
    - Growing quickly even if high cost to do so
  - Thought strategy was customer acquisition at any cost
    - Negative gross margins vs. long term investment
  - Lack of attention to customer experience
    - Return shoppers
Next

- Use Porter-Tapscott debate to frame discussion of what the Internet is
  - Physical networks
  - Host computers connected to those networks
    - Clients, servers, ...
  - Protocols for information interchange
  - Application specific protocols
  - Virtual networks of documents (hyper-links), users, companies

- Following week focus on issues being debated in context of this knowledge
To Do

- Read Porter and Tapscott articles in course pack before next Tuesday’s class (Feb 3)

- Hand in background info on Thursday
  - Name, program, year, grading option
  - Level of IT knowledge: novice to expert
  - Know who you want to team with: yes/no
  - Main reason for taking this class
  (Consider IT knowledge, grading option)
  • If yes, then who